



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: April 18, 2003 REPORT NO. 03-079

ATTENTION: Land Use and Housing Committee
Agenda of

SUBJECT: Torrey Highlands Public Facilities Financing Plan and Facilities Benefit Assessment

REFERENCE: "Torrey Highlands Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2003," March 2003 Draft

SUMMARY

Issues - Should the Council: 1) adopt the Torrey Highlands Public Facilities Financing Plan (PFFP) for Fiscal Year 2003; 2) adopt a Resolution of Intention to designate an area of benefit for Facilities Benefit Assessments (FBA) in Torrey Highlands; 3) adopt a Resolution of Designation; and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Torrey Highlands?

Manager's Recommendation - Adopt the four resolutions.

Planning Commission Recommendation - None.

Community Planning Group Recommendation - No planning group has been formed in Torrey Highlands.

Environmental Impact - The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 93-152 and the Mitigation, Monitoring, and Reporting Program for the Torrey Highlands Subarea Plan, which covers this action. The City Council shall review and consider the previously certified EIR prior to adoption of the Resolution of Intention.

Fiscal Impact - Approval of this Public Facilities Financing Plan (PFFP) and Facilities Benefit Assessment will continue to provide a funding source for the public facilities identified in the subarea plan.

Code Enforcement Impact - None by this action.

Business Impact Statement - The assessments in the Torrey Highlands subarea have been increased only by the anticipated rate of inflation and should therefore have little unanticipated impact on business.

BACKGROUND

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments. This is the annual review and will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in the Torrey Highlands subarea over the next ten year period. The most recent review of the Torrey Highlands Public Facilities Financing Plan and Facilities Benefit Assessment was approved by Council on August 7, 2001, by Resolution R-295391. Amendments to the plan were approved on July 16, 2002, by Resolution R-296808. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates that amended Fiscal Year 2002 plan.

DISCUSSION

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Torrey Highlands area which is presently estimated to be by the year 2012. Torrey Highlands is a partially developed community, with many of the community facilities in place. This plan calls for the addition of Project T-11 (Camino Ruiz Grade Separated Bike Interchange). This is a shared project with Black Mountain Ranch to provide a safe route for bicycle traffic at SR-56 and Camino Ruiz.

The revised Financing Plan for development in Torrey Highlands identifies total remaining project needs estimated at \$367,852,285. The funding sources for these projects are broken down as follows:

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
\$85,184,708	Assessments (FBA)	23.2%
\$3,892,498	Subdividers	1.0%
\$278,775,079	Other	75.8%

The proposed assessments for Fiscal Year 2003 are as follows:

Single-family dwelling unit	\$34,445
Multi-family dwelling unit	\$24,111
Local Mixed-use Acre	\$277,969
Commercial Acre	\$207,703
Limited Commercial Acre	\$61,656
Institutional Acre	\$51,667
Employment Center Acre	\$185,313

The proposed assessment for Fiscal Year 2003 is based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 4 percent to the year of construction. It also takes into account cash on hand using a 4 percent interest rate. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Torrey Highlands that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2003 Assessments also be adopted as Development Impact Fees for Torrey Highlands. The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into special interest earning accounts for Torrey Highlands. Annually the Council receives a status report on the program and authorizes the appropriation of funds for construction of facilities which are programmed for the next fiscal year in the Capital Improvements Program budget.

The Torrey Highlands Transportation Phasing Plan limits development in the planning area until certain transportation improvements are assured. It is included as an appendix to the PFFP.

The proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public hearing, mailed notice will be given to all property owners within the proposed area of designation of the date of the hearing and their right to file a protest with the City Clerk prior to the start of the hearing. Notice will also be given by publication of the Resolution of Intention in the City's official newspaper. Unless overruled by a four-fifths vote of the Council, written protests by owners of more than one-half of the area of the property proposed to be included within the Area of Benefit shall cause the proceedings to be abandoned. A letter advising of today's meeting was mailed to all property owners as shown on the last assessment roll, or otherwise known to staff.

ALTERNATIVES

Do not approve the proposed Public Facilities Financing Plan and Facilities Benefit Assessment or the setting of Development Impact Fees. This is not recommended because the new fees will insure that new development contributes its proportional share for new facilities identified in the community plan. In the absence of these fees, alternative sources would have to be identified to fund the share of the identified facilities attributable to new development.

Respectfully submitted,

S. Gail Goldberg, AICP
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/GH

Attachments: 1. Draft FY 2003 Torrey Highlands Public Facilities Financing Plan, March 2003